THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) In pursuance of paragraph 4A.4 of the Foreign Trade Policy 2004-2009, import of Gold is proposed to be allowed by Five Star Export Houses and any other agencies authorized by Reserve Bank of India.

Growth Rate Target

152. SHRI K. RAMA MOHANA RAO: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact 8 per cent growth was targeted in the Tenth Five Year Plan;

(b) whether it is also a fact that in the recently held NDC meeting it was made clear that India cannot achieve 8 per cent growth rate in the Tenth Plan;

(c) what was the growth rate in the first three years of the Tenth Five Year Plan;

(d) apart from drought what are the reasons for not achieving 8 per cent growth rate in the first three years of the Tenth Plan; and

(e) the rate of growth likely to be achieved in 2005-06?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes Sir. The Tenth Five Year Plan (2002-07) envisaged an average real Gross Domestic Product (GDP) growth rate of 8 percent per annum.

(b) The Mid-Term Appraisal of the Tenth Five Year Plan considered at the recent National Development Council meeting has indicated that annual average real GDP growth rate of 8 per cent during the Tenth Five Year Plan period may not be achieved as the average GDP growth during 2002-03 to 2004-05 was 6.5 per cent.

(c) As per the Central Statistical Organisation, the growth in real GDP during 2002-03, 2003-04 and 2004-05 (revised estimates) are 4.0 per cent, 8.5 per cent and 6.9 per cent respectively.

(d) The lower annual average growth rate during the first three years of the Tenth Five Year Plan is due to lower than targeted growth in agriculture, industry and services.

(e) The Government has not made any estimate of real GDP growth rate for 2005-06. However, the Reserve Bank of India in its Annual Policy Statement (April 28, 2005) has envisaged the real GDP growth during 2005-06 at around 7 per cent.

Allocation of funds to Andhra Pradesh

153. SHRI C. RAMACHANDRIAH: Will the the Minister of FINANCE be pleased to state:

(a) whether the Twelfth Finance Commission (TFC) has not allocated any funds to Andhra Pradesh for education and health sectors;

(b) if so, the reasons therefor;

(c) whether the State Government of Andhra Pradesh has made any representation in this regard; and

(d) if so, the details thereof and Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (c) Yes Sir.

(b) The Commission has recommended equalisation grants for education and health to those States whose normative per capita expenditure was less than their group average.

(d) The State Government has requested to extend grants-in-aid for improving education and health sector in Andhra Pradesh.

Government of India has accepted the recommendations of the Finance Commission and as a policy does not reopen the recommendations of the Commission.